

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1270 - HB 1360

March 22, 2021

SUMMARY OF ORIGINAL BILL: Increases, from \$4.00 to \$5.00, the fee which county clerks may charge for handling mail orders of registration plate and order renewals.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue - \$1,625,000/FY21-22 and Subsequent Years

SUMMARY OF AMENDMENT (004789): Deletes and replaces language of the original bill, such that the bill as amended increases, from \$4.00 to \$5.00, the fee which county clerks may charge for handling mail orders of registration plates.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Revenue – \$503,800/FY21-22 and Subsequent Years/Permissive

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 55-4-105, each county clerk shall provide a mail order service for the renewal of registrations whereby registrants may apply for and receive the renewal certificates and plates or decals through the United States Postal Service. Each county clerk may impose a fee of \$4.00 for the service of handling mail orders of plates and \$2.00 for decals.
- Approximately 6,500,000 registrations are subject to annual renewal.
- Twenty-five percent, or 1,625,000, of such issuances are transacted by mail (6,500,000 x 25%).
- Based on information provided by the Department of Revenue, approximately 31 percent of issuances are plates.
- Therefore, there are 503,750 (1,625,000 x 31%) mailed plates each year.
- The recurring permissive increase in local government revenue, resulting from the \$1.00 fee increase for plates, is estimated to be \$503,750 (503,750 plates x \$1.00 fee increase) in FY21-22 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

/jg